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Office of the State Controller Alert # 199 Revised

TO:

Controllers and Chief Fiscal Officers of State Departments,

Higher Education Institutions and Boards

FROM:

David J. McDermott, State Controller

DATE:

October 3, 2012

SUBJECT:

COFRS Modernization New Meal Per Diem Rates Travel Turnaround Reports

Procurement Card Misuse Reports

CFMA Fall Conference New Audit Website General Fund Reversions OSC Staff Changes

COFRS Modernization

On Friday September 28, 2012, the Governor's Office of Information Technology and the Office of the State Controller executed a contract with the State's current COFRS vendor CGI. Implementation will begin immediately with project planning. A kick off meeting will be held in October. The COFRS Modernization Team will send invitations as appropriate as soon as the date and location have been finalized. Please notify everyone to whom you provided the original Alert #199 information that the date and location for the meeting has yet to be determined.

<u>Updated Meal Per Diem Rate Tables</u>

For domestic travel, all current meals and incidental expense tiers remain unchanged as of October 1, 2012 and range from \$46-\$71. The GSA identified 10 new non-standard areas that have been added to Appendix A1 (Domestic CONUS):

Destination	State
Bakersfield/ Ridgecrest	CA
Stockton	CA
Hancock and Pearl River Counties	MS
Sidney/ Glendive	MT
Dickinson/ Beulah	ND
Minot	ND
Williston	ND
Carlsbad	NM
Watertown	NY
Pasco	WA

The rates in Appendix B (Alaska, Hawaii and US Possessions) and Appendix C1 (Foreign) have been updated. The rate tables can be found at:

http://www.colorado.gov/dpa/dfp/sco/FiscalRules/FR Travel.htm.

Travel Turnaround Reports

Completed annual travel turnaround reports are due to your FAST Field Controller by November 2, 2012 with the distribution of total in-state, total out-of-state, and total out-of-country expenses for state employees by the source of funds; and total mileage driven broken out between in-state and out-of-state travel; and two-wheel and four-wheel drive miles. Agencies should run the travel turnaround report on Financial Data Warehouse. Detailed instructions on how to run and complete the report begin on page Manual (available Procedures 333 Ωf the March 2012 Fiscal http://www.colorado.gov/dpa/dfp/sco/FiscalProcedures/Cur/manual_cur.htm See Chapter 5, Section 2.)

Procurement Card Misuse Reports

Your Fiscal Year 2011-2012 Procurement Card "misuse reports" are due to your FAST Field Controller by November 1st for any P-card violations that are recurring, significant, or in excess of \$500 in accordance with State Fiscal Rule 2-10. Suggested reporting templates are included at: http://www.colorado.gov/dpa/dfp/sco/P-Card/P-Card.htm

CFMA Fall Conference - November 9th, 2012

The Colorado Fiscal Manager's Association (CFMA) Fall Conference will be held on Friday, November 9th, 2012 at the History Colorado Center at 1200 Broadway, Denver CO 80203. Registration for the CFMA Fall conference will be available by October 3, 2012. A total of 6 CPE credits will be offered. The conference theme is "Taking Care of State Business." Cost will be \$75 for members and \$85 for nonmembers. Continental breakfast and lunch and will be provided as well as access to the museum exhibits between sessions and after the last session. Go to www.colofma.com to the Event Tab and click on Fall Conference. Hope to see you there!

New Audit Website

We have officially launched our Audit Website for Internal Audits and Recovery Audits! It can be accessed from the Office of the State Controller's website through the alphabetical index under AUDIT (or by clicking on the following link: http://www.colorado.gov/dpa/dfp/sco/AuditUnit.htm), which provides links to the recovery and internal audit sections. The internal audit site will be a work in progress as the audit unit evolves; however, for now we have included useful resources that we have created internally as well as links to external websites.

Please take a moment to review the site, particularly the Internal Control Guide and Risk Assessment Questionnaire. For recovery audits, we have included all the reports to date. We welcome your feedback on the site and resources! Contact Jennifer Henry at jennifer.henry@state.co.us or 303-866-3809.

General Fund Reversions

Historically, all unspent general funds have been available to the General Assembly for appropriation in the subsequent fiscal year. In recent years, some of these general fund reversions have been made available for designated purposes. Beginning in Fiscal Year 2010-11, general fund reversions related to information technology savings were transferred to the Governor's Office of Information Technology (OIT). In Fiscal Year 2011-12, two additional uses of general fund reversions were authorized, one for the Legislative Department and the other to fund merit pay increases. The Office of the State Controller (OSC) calculated these reversions in conjunction with the publication of the Basic Financial Statements, with the remainder available to the General Fund. The reversions for each designated purpose have been calculated as follows:

- Information Technology Revolving Fund: Senate Bill 08-155 authorized the transfer of general-funded information technology savings to the Information Technology Revolving Fund in OIT. OIT has identified the long bill line items meeting the statutory requirement for transfer. If the long bill line item is contained within a single funding source code, the entire general fund reversion has been allocated to the revolving fund. If multiple long bill line items are contained within the funding source code attributed to the identified line (bottom-funded), the OSC allocated the general fund reversion proportionately to OIT based on total unexpended funds in the OIT identified line items as compared to total unexpended general funds in the funding source code.
- Legislative Department Cash Fund: House Bill 12-1301 directs unspent general funds of the Legislative Department into the Legislative Department Cash Fund. The OSC allocated all unspent general funds of the Legislative Department to the cash fund.
- State Employee Reserve Fund (for merit pay reversions): House Bill 12-1321 directs that for executive branch principal departments, any unspent general funds in certain long bill line items related to personal services and operating expenses be reverted into the State Employee Reserve Fund to fund merit pay increases. The Department of Personnel & Administration (DPA) plans to provide comprehensive technical guidance for accounting, budgeting, and human resources staff in the near future. Working with DPA, the OSC revised the reversions process to accommodate the new legislation. The OSC identified eligible line items based on the parameters set forth in the bill. The Joint Budget Committee may select additional line items, but has not done so at this time. If the long bill line item has also been identified by OIT, the reversion is directed to the OIT revolving fund. Additionally, reversions into the State Employee Reserve Fund are not available in a line item approved for transfer, either to or from, as set forth in CRS 24-75-108. Similar to reversions to OIT, if the long bill line item is contained within a single funding source code, the entire general fund reversion has been allocated to the State Employee Reserve Fund. If multiple long bill line items are contained within the funding source code attributed to the identified line (bottom-funded), the OSC allocated the general fund reversion proportionately to the State Employee Reserve Fund based on total unexpended funds in the personal services related and operating expenses line items as compared to total unexpended general funds in the funding source code.

The OSC has posted a post-closing journal entry, similar to an Exhibit H, to the State's financial statements accruing the transfers, and recording the associated payables and receivables based on the calculations above. A preliminary report of the department-level allocations of general fund reversions for funding source codes associated with any one of the designated purposes above is available on the Financial Data Warehouse (FDW). This report can be accessed as follows:

From FDW, click on Diagnostic and OSC Reports. The report is named <u>Reversions Report - OIT</u>, <u>Legislative</u>, <u>Merit Pay</u>. For this year, select Fiscal Year 2012, and either your department code or agency code. However, since this report is at the department level, if an agency code is selected, the entire department will be shown.

The report as of this date is preliminary and a final report will be available in late December 2012 after the completion of the audit of the Comprehensive Annual Financial Report (CAFR). Upon publication of

the CAFR, agencies will be required to post the follow-up payable/receivable entries on COFRS, and then transfer the cash to clear the accruals.

Additionally, the General Fund reversions report (after OIT, Legislative, and merit pay reversions) has been made available on the FDW. Similar to the department-level allocations report above, this report is preliminary and a final version will be available on FDW in late-December 2012. This report can be accessed as follows:

From the Diagnostic and OSC Reports page, please select the report named <u>Reversions – General Funded Appropriation</u>. After selecting Fiscal Year 2012, this report may be produced by selecting either a department code or an agency code, as with the previous report. If agency is selected, the entire department will be shown, since this report is at the department level.

Please contact Tammy Nelson (303-866-2659 or tammy.nelson@state.co.us) if you have any questions.

OSC Staff Changes

Brent Voge joined the OSC as a Financial Operations Manager on August, 2012. Welcome Brent!